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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 002987

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DEPT. FOR WHA/CEN, DRL/IL, DS/OP/WHA, AND S/CT STATE PASS USTR  $\,$ STATE PASS AID FOR LAC/CEN DOL FOR ILAB

E.O. 12958: DECL: 10/29/2012

TAGS: PGOV PREL ELAB ETRO PHUM PTER SOCI ASEC HO
SUBJECT: POPULAR BLOCK AND TEACHERS DEMONSTRATE VIOLENTLY AGAINST GOH; MADURO WORRIED BUT PLEDGES TO STAND FIRM

REF: A. TRIVELLI/PIERCE E-MAIL 10/25

¶B. TEGUCIGALPA 2928 ¶C. TEGUCIGALPA 1342 ¶D. TEGUCIGALPA 1298

Classified By: Political Chief Francisco Palmieri; Reasons 1.5 (b) and (d).

- $\P1$ . (U) On October 24-25 several thousand demonstrators that included the loose political alliance known as the Popular Block, the labor union SITRASANAA, secondary teachers (COPEMH), and three Democratic Unification Party (UD) congressmen clashed with police in violent demonstrations that included the reported use of Molotov cocktails. The demonstrators protested against a number of issues, including the pay packages for teachers and other workers, the possible purchase of GOH housing bonds by teachers' pension funds, the installation of fences outside the entrances to Congress, and opposition to proposed GOH policies on municipal water, forests, and education as well as proposed regional free
- $\underline{\P}2$ . (U) Demonstrators threw rocks at police vehicles, ripped down the Congressional fences, and damaged vehicles and private businesses, including a Pizza Hut restaurant. Police were forced to use tear gas, fire hoses, and rubber bullets against the demonstrators outside of Congress, and several policemen, demonstrators, and journalists were injured. Only two protesters were arrested. Embassy security company Inter-Con confirmed that gang members were also among the demonstrators. It is not known if their presence was organized or opportunistic.
- $\P 3$ . (U) The demonstrations came on the heels of the October 23 approval by a divided Congress to revise the teachers' statute to codify the May accords between primary school teachers and the GOH. The May agreement provides for a 12 percent salary increase and delinks teacher salaries from the minimum wage, thereby ending a key but controversial provision in a 1997 law which generously indexed teachers' pay to five times the minimum wage (refs C and D). President Ricardo Maduro's National Party supported the bill, which was opposed by the Liberal Party, Party of Innovation and National Unity (PINU), and UD. Secondary school teachers continue to demand the 40 percent increase provided under the original 1997 statute. In September the Supreme Court ruled that the part of the teachers' statute that linked teacher salaries to minimum wage was unconstitutional, which observers had thought would set the stage for wrapping up the strike. The secondary school teachers pledge to continue their protects and to strike until their demands are the their protests and to strike until their demands are met.
- $\underline{\P}4$ . (U) The demonstrations followed an October 11 demonstration outside the Embassy (ref B), and a string of false bomb threats in the country, including one on October 23 at the Congress. There are reports of another possible Popular Block demonstration October 30 against the IMF and proposed GOH privatization policies.
- $\P 5.$  (U) Minister of the Presidency Luis Cosenza termed the protesters actions "vandalism" and Minister of Public Security Oscar Alvarez said that the GOH would maintain a "firm hand" against violent demonstrators. President Maduro, in a speech to the nation October 28, pledged that the GOH would not back down in the face of violent protests. Maduro specifically defended the GOH's decision to provide up to 30,000 lempiras (USD 1,818) in subsidies for a low income family to buy a house. While open to dialogue, Maduro said that this openness should not be confused with weakness nor fear.
- 16. (C) COMMENT: Unlike the tame October 11 demonstration, the GOH has reason to be worried about this violent turn of events. Notwithstanding their public belief and private comments that these protests are being orchestrated to undermine the Maduro government, many leading GOH officials acknowledge that there are even tougher times ahead. A pending agreement to negotiate with the IMF, approval of the 2003 austerity budget, the next round of minimum wage

negotiations - all could serve to spark further public unrest.

17. (C) COMMENT CONTINUED: President Maduro called WHA/CEN Director Trivelli October 25 and told him that the demonstrations were disturbing and that the protesters' use of Molotov cocktails was a particularly bad sign. Maduro said he suspected Liberal Party agitation was behind the demonstrations, citing in particular Jorge Arturo Reina, who was quoted in the press calling the teachers' law a "blow" to the constitution. Maduro's advisors also acknowledge that elements of their own party are fomenting some of the unrest. Post believes that there remains a larger untapped sentiment of discontent in the country. However, historically the Honduran public has been lethargic and apathetic about demanding public policy changes. The Maduro government should be able to manage the situation if it continues to act decisively and to demonstrate its engagement. END COMMENT. PIERCE